credit reporting agency before referral for tax refund offset.

(c) Debts owed by individuals will be screened for salary and administrative offset potential using the most current information reasonably available to the Department, and will not be referred for tax refund offset where such other offset potential is found to exist.

[59 FR 47250, Sept. 15, 1994, as amended at 60 FR 41017, Aug. 11, 1995]

§ 20.107 Debtor notification.

(a) The agency head (or designee) of the creditor Labor Department agency shall send appropriate written demands to the debtor in terms which inform the debtor of the consequences of failure to repay claims. In accordance with guidelines as may be established by the Department's Chief Financial Officer, a total of three progressively stronger written demands at not more than 30-day intervals will normally be made unless a response to the first or second demand indicates that a further demand would be futile and the debtor's response does not require rebuttal. In determining the timing of demand letters, agencies should give due regard to the need to act promptly so the ability to refer a debt for tax refund offset will not be unduly delayed.

(b) Before the Department refers a debt to IRS for tax refund offset, it will make a reasonable attempt to notify the debtor that:

(1) The debt is past-due;

(2) Unless the debt is repaid or a satisfactory repayment agreement established within 60 days thereafter, it will be referred to IRS for offset from any overpayment of tax remaining after taxpayer liabilities of greater priority have been satisfied; and

(3) The debtor will have a minimum of 60 days from the date of notification to present evidence that all or part of the debt is not past-due or legally enforceable, and the Department will consider this evidence in a review of its determination that the debt is past-due and legally enforceable. The debtor will be advised where and to whom evidence is to be submitted.

(c) The Department will make a reasonable attempt to notify the debtor by using the most recent address information obtained from the IRS, unless

written notification is received from the debtor that notices from the Department are to be sent to a different address.

(d) The notification required by paragraph (b) of this section and sent to the address specified in paragraph (c) of this section may, at the option of the Department, be incorporated into demand letters required by paragraph (a) of this section.

§ 20.108 Agency review of the obligation.

(a) The individual responsible for collection of the debt will consider any evidence submitted by the debtor as a result of the notification required by § 20.107(b) and notify the debtor of the result. If appropriate, the debtor will also be advised where and to whom to request a review of any unresolved dispute.

(b) The debtor will be granted at least 30 days from the date of the notification required by paragraph (a) of this section to request a review of the determination of the individual responsible for collection of the debt on any unresolved dispute. The debtor will be advised of the result.

(c) The review required by paragraph (b) of this section will ordinarily be based on written submissions and documentation provided by the debtor. However, a reasonable opportunity for an oral hearing will be provided the debtor when the reviewing official determines that any remaining dispute cannot be resolved by review of the documentary evidence alone. Unless otherwise required by law, an oral hearing under this section is not required to be a formal evidentiary-type hearing, although the reviewing official should carefully document all significant matters discussed at the hearing.

§ 20.109 Prior provision of rights with respect to debt.

To the extent that the rights of the debtor in relation to the same debt have been previously provided under some other statutory or regulatory authority, the Department is not required to duplicate those efforts before referring a debt for tax refund offset.